

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
AMERICAN MORTGAGE ACCEPTANCE	:	Case No. 10-
COMPANY,	:	
	:	
Debtor.	:	

DECLARATION OF ROBERT L. LEVY
PURSUANT TO LOCAL BANKRUPTCY RULE 1007-2

Robert L. Levy, being duly sworn, deposes and says:

1. I am a director and the President and Chief Executive Officer of American Mortgage Acceptance Company (the "Debtor"). As such, I am familiar with the Debtor's operations, business and financial affairs.
2. I submit this affidavit pursuant to Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York. Except as otherwise indicated, all facts set forth in this declaration are based on my personal knowledge, information supplied by employees under my supervision, or my opinion based on experience, knowledge, and information concerning the operations of the Debtor. If I were called upon to testify, I would testify competently to the facts set forth herein.
3. The Debtor was formed in 1991 as a Massachusetts business trust, and elected to be treated as a real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended. The Debtor is managed pursuant to an Advisory Services Agreement, by Centerline/AMAC Manager Inc.
4. The Debtor's business consists of investing in mortgage loans and other debt instruments secured by multifamily and commercial property throughout the United States. As

of December 31, 2007, the Debtor owned assets worth \$666,399,000. The Debtor financed the purchase of these assets with, among other sources, monies borrowed through repurchase facilities and monies raised in the commercial real estate collateralized debt obligation ("CDO") market.

5. Beginning in 2007 and throughout 2008 and 2009, negative developments in the market for many types of mortgage products (including mortgage-backed securities) resulted in reduced liquidity for these types of financial assets. Widening credit spreads led to reduced values and the inability to find adequate financing for these assets. This resulted in an overall reduction in liquidity across the credit spectrum of mortgage products, presenting the Debtor with significant challenges in financing its business. As the credit markets declined, so did the CDO market, and the Debtor decided to temporarily suspend investment activity and not pursue a second CDO securitization. Throughout 2008 and 2009, the Debtor was able to repay approximately \$135 million of secured debt to, among others, Citigroup and JP Morgan.

6. Due to the dramatic decline in asset values that occurred in 2008 and the necessary liquidation of assets to pay secured debt, as of the Petition Date the value of the Debtor's assets had fallen to approximately \$7 million. The Debtor's only significant remaining Creditors are Taberna Preferred Funding I, Ltd. ("Taberna"), which is owed approximately \$25 million, and C-III Capital Partners LLC ("C-III"), which is owed approximately \$93 million by reason of the recent purchase of a promissory note held by Centerline. Prior to the commencement of the Debtor's case, the Debtor, Taberna and Centerline negotiated the terms of the Plan, which they believe will maximize the remaining value of the Debtor's assets. C-III, Taberna and Centerline have each agreed to support the terms of the Plan.

7. After careful consideration, the Debtor determined that a chapter 11 filing provides the most effective and efficient means to restructure its obligations, either through a consensual or otherwise confirmed chapter 11 plan.

8. This case was not originally commenced under chapter 7 or chapter 13 of the Bankruptcy Code, and no trustee has been appointed in the case.

9. No committee was organized prior to the order for relief in this case.

10. Pursuant to Local Rule 1007(a)(4), Schedule 1 hereto lists the following information with respect to each of the holders of unsecured claims against the Debtor: name, address, telephone number, name of person familiar with the Debtor's account, amount of the claim, and an indication of whether the claim is contingent, unliquidated, disputed, or partially secured.

11. There are no secured claims.

12. Pursuant to Local Rule 1007(a)(5), Schedule 2 hereto provides a summary of the Debtor's assets and liabilities.

13. Pursuant to Local Rule 1007(a)(7), Schedule 3 hereto provides a summary of the number and classes of shares of stock and other securities of the Debtor that are publicly held and the number of holders thereof, and lists any held by the Debtor's officers and directors and the amounts so held.

14. Pursuant to Local Rule 1007(a)(8), Schedule 4 hereto lists all of the Debtor's property in the possession or custody of any custodian, public officer, mortgagee, pledge, assignee of rents, or secured creditor, or agent for any such entity, and the name, address and telephone number of such entity.

15. The Debtor operates from 625 Madison Avenue, New York, New York 10022.

16. The Debtor's substantial assets and books and records are located at 625 Madison Avenue, New York, New York 10022. The Debtor does not hold any assets outside of the territorial limits of the United States.

17. There are no actions or proceedings, pending or threatened, against the Debtor or its property where a judgment against the Debtor or a seizure of its property may be imminent.

18. Pursuant to Local Rule 1007(a)(12), Schedule 5 hereto lists the names of the individuals who comprise the Debtor's existing senior management, their tenure with the Debtor, and a brief summary of their relevant responsibilities and experience.

19. The estimated amount of weekly payroll to employees (exclusive of officers, directors, stockholders, and partners) for the 30 day period following the filing of the chapter 11 petition is \$0.00.

20. The amount paid and proposed to be paid for services for the 30 day period following the filing of the chapter 11 petition to officers, stockholders, and directors is \$0.00.

21. Pursuant to Local Rule 1007(b)(3), Schedule 6 hereto provides, for the 30 day period following the filing of the chapter 11 petition, the estimated cash receipts and disbursements, net cash gain or loss, obligations and receivables expected to accrue but remain unpaid, other than professional fees.

The foregoing is true and correct to the best of my knowledge, information and belief.

Executed on this ____ day of April, 2010, at New York, New York.

/s/ Robert L. Levy
Robert L. Levy

Schedule 1

Creditor	Address	Phone #	Contact Name
C-III Capital Partners LLC	717 Fifth Avenue, New York, NY 10022	(212) 705-5000	Brenda Mixon - Managing Director, Island Capital
Centerline/AMAC Manager Inc.	625 Madison Ave., New York, NY 10022	(212) 317-5712	Robert L. Levy - President, COO & CFO, Centerline Capital Group
Centerline Servicing LLC	625 Madison Ave., New York, NY 10022	(212) 317-5712	Robert L. Levy - President, COO & CFO, Centerline Capital Group
Centerline Holding Company	625 Madison Ave., New York, NY 10022	(212) 317-5712	Robert L. Levy - President, COO & CFO, Centerline Capital Group
Taberna Preferred Funding I, Ltd.	2929 Arch Street 17th Floor, Philadelphia, PA 19104	(212) 243-9032	Jack Salmon - Taberna Preferred Funding I, Ltd.

Schedule 2

Asset Name	Type	Street	City	State	Zip Code	Face Value ⁽¹⁾	Current Value ⁽²⁾
AMAC CDO I Equity LLC ⁽³⁾	Membership Interest	N/A	N/A	N/A	N/A	\$39,174,151.91	\$0.00
AMAC Capital Financing I	Membership Interest	N/A	N/A	N/A	N/A	\$0.00	\$0.00
AMAC CDO I Advancing LLC	Membership Interest	N/A	N/A	N/A	N/A	\$0.00	\$0.00
Snowmass	Mezzanine Loan	Various	Snowmass Village	CO	81615	\$27,753,893.00	\$0.00
KEYC 2007-SLJ D	CMBS Bond	N/A	N/A	N/A	N/A	\$4,750,000.00	\$1,148,691.87
KEYC 2007-SL1 E	CMBS Bond	N/A	N/A	N/A	N/A	\$2,079,000.00	\$320,335.57
KEYC 2007-SL1 F	CMBS Bond	N/A	N/A	N/A	N/A	\$1,781,000.00	\$211,679.22
MLFT 2006-1 M	CMBS Bond	N/A	N/A	N/A	N/A	\$9,996,875.00	\$894,778.47
Bridgeport	Mezzanine Loan	80 Granfield Avenue	Bridgeport	CT	06610	\$1,110,000.00	\$439,624.55
Bayfront Villas	Mezzanine Loan	3209 58th Street	Gulfport	FL	33707	\$2,800,000.00	\$0.00
Club at Brazos	Mezzanine Loan	3101 Vista Drive	Rosenberg, Fort Bend County	TX	77471	\$2,523,000.00	\$0.00
Pasadena	Mezzanine Loan	1885 Shore Drive	South Pasadena	FL	33701	\$8,350,000.00	\$0.00
Marbella	Mezzanine Loan	Various	Clearwater	FL	33737	\$5,361,560.00	\$0.00
Westwood Apartments	B Note	540 Pexville Road	Manning	SC	29102	\$39,737.50	\$12,134.40
Lincoln Apartments	B Note	404 N. Witzel	Watersboro	SC	29488	\$72,250.00	\$22,062.55
Oakland Apartments	B Note	1108 Cambridge Street	Abbeville	SC	29620	\$18,056.95	\$5,513.94
Connecticut Village Apartments	B Note	404 E. Junior High Road	Gaffney	SC	29340	\$136,000.00	\$41,529.50
Raymonia Apartments	B Note	Route 3	Vidalia	GA	30475	\$72,250.00	\$22,062.55
Westlake Apartments	B Note	1900 Westlake Avenue	Savannah	GA	31405	\$161,705.55	\$49,379.05
						\$106,379,479.91	\$3,167,791.67

Contingent Asset ⁽⁴⁾	Type	Amount ⁽⁵⁾	Current Value ⁽²⁾
Westpointe receivable	Contingent receivable asset	\$426,564.30	\$98,121.01
Bridle Path receivable	Contingent receivable asset	\$457,555.50	\$105,249.81
		\$884,119.80	\$203,370.82

Unrestricted Cash on Hand	Bank	Account #	Cash Balance ⁽⁶⁾
AMERICAN MORTGAGE ACCEPTANCE COMPANY	Bank of America	009421136222	\$2,591,508.19
AMAC Trust Custodial Account	Wells Fargo	53209700	\$355,159.62
AMAC Capital Financing I	Bank of America	009515554564	\$48,847.79
AMAC Capital Financing I	Bank of America	22329132	\$0.00
AMAC CREDIT FACILITY LLC	Bank of America	009421135975	\$2.00
AMAC CREDIT FACILITY LLC	Bank of America	22452287	\$0.00

Total Value of Assets

	\$2,993,517.60
	<u>\$6,366,680.09</u>

- (1) Does not include accrued interest for assets that are not paying current
(2) Current value based on similar sales, third party marks and/or management's best estimates
(3) AMAC owns 100% membership interest in this entity which owns \$26MM face value of Class P Preferred and \$12MM of Class F shares in AMAC CDO I
(4) Receivable contingent on performance and/or repayment of mortgage loans associated with Bridle Path and Westpointe properties
(5) Reserved cash as of 4/21/10
(6) Cash as of 4/21/10, prior to \$50k for legal fees paid on April 23, 2010

Schedule 2

Creditor	Liability Type	Amount of Claim
Centerline/AMAC Manager Inc. ⁽¹⁾	Asset Management Fees: Asset management fee - June 2008 - Dec 2008 (none in 2009)	\$455,181.00
Centerline Servicing LLC ⁽²⁾	Accrued Servicing Fees: Accrued servicing fees for assets which are not paying interest	\$69,709.19
C-HI Capital Partners LLC C-HI Capital Partners LLC	Accrued Interest on Senior Loan: Interest on default (Centerline) Jan 2008 - Dec 2009 Interest on CHC loan - November 2008 - Dec 2009	\$6,724,471.53 \$3,283,521.82
Centerline/AMAC Manager Inc. ⁽¹⁾	Recurring Expense Reimbursements: Public fund allocation (PTA) - 2007 through June 2009	\$2,476,538.54
C-HI Capital Partners LLC	Principal Outstanding: Line of Credit	\$79,876,500.00
Total Debt Owed to Centerline and Centerline Controlled Entities		\$92,885,922.08
Taberna Preferred Funding I, Ltd.	Principal Outstanding: Trust Preferred Securities owned by Taberna	\$25,000,000.00
Taberna Preferred Funding I, Ltd.	Accrued Interest on Preferred Securities: Interest on accrued Taberna TruPS Jan 2008 - Dec 2009	\$1,501,148.98
Total Debt Owed to Taberna Preferred Funding I, Ltd.		\$26,501,148.98
Contingent Liability		
Centerline Holding Company	Valley View & Maple Ridge agency risk-share indemnity	\$581,372.00
Total Liabilities		\$119,968,443.06

Schedule 3

Public Stock:

Class of Stock	Total Shares	# of Holders
Common Shares	8,542,702	181
Preferred Shares	680,000	1

Shares held by Officers & Directors:

Officer/Director	Total Shares	Class of Stock
Scott Mannes, Trustee	26,324	Common Shares
Stanely Perla, Trustee	43,586	Common Shares
Robert Levy, CEO & Trustee	1,000	Common Shares

Schedule 4

None

Schedule 5

The debtor is managed by Centerline/AMAC Manager Inc.. From November 2006 until recently, Marc D. Schnitzer was the CEO and Robert Levy was the CFO. On April 15th, 2010 Marc Schnitzer resigned as CEO. Robert Levy was appointed CEO of AMAC on April 22, 2010. In his capacity as CEO, Rob Levy is responsible for the executive management of the debtor. The day-to-day operations of the AMAC are controlled by Centerline/AMAC Manager Inc.

Schedule 6

<u>Expectation In 30 Days After Filing:</u>	<u>Amount</u>
Expected Cash Earned	\$70,000
Expected Cash Disbursements	\$0
Cash Gain/Loss	\$0
Obligations/Receivables Accruing	\$0